

SCHEDULE

ARRANGEMENT BETWEEN HIS MAJESTY'S GOVERNMENT AND THE STATES OF GUERNSEY FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

9.—(1) Subject to the provisions of the law of the United Kingdom regarding the allowance as a credit against United Kingdom tax of tax payable in a territory outside the United Kingdom, Guernsey tax payable, whether directly or by deduction, in respect of income from sources within Guernsey other than dividends or debenture interest payable by a company resident in Guernsey shall be allowed as a credit against any United Kingdom tax payable in respect of that income.

(2) Subject to such provisions (which shall not affect the general principle hereof) as may be enacted in Guernsey regarding the allowance as a credit against Guernsey tax of tax payable in a territory outside Guernsey, United Kingdom tax payable, whether directly or by deduction, in respect of income from sources within the United Kingdom other than dividends or debenture interest payable by a company resident in the United Kingdom shall be allowed as a credit against any Guernsey tax payable in respect of that income.

(3) Where no credit is allowable under sub-paragraph (1) or sub-paragraph (2) of this paragraph in respect of tax on income subject to both Guernsey tax and United Kingdom tax, such relief from United Kingdom tax shall be allowed in respect of the double taxation as would have been allowed under the law in force in the United Kingdom if the present arrangement had not been made.

Provided that in a case to which the proviso to Section 24 of the United Kingdom Finance Act, 1920, applies, the relief allowable under this sub-paragraph shall be left out of account in the computations of tax to be made under the said proviso.

(4) For the purposes of this paragraph profits or remuneration for personal (including professional) services performed in one of the territories shall be deemed to be income from sources within that territory, and the services of an individual whose services are wholly or mainly performed in ships or aircraft operated by a resident of one of the territories shall be deemed to be performed in that territory.

(5) Where Guernsey income tax is payable for a year for which this Arrangement has effect in respect of any income in respect of which United Kingdom income tax is payable for a year prior to the year beginning on the 6th April, 1951, then in the case of a person resident in Guernsey, the Guernsey income tax shall for the purposes of sub-paragraph (2) of this paragraph be deemed to be reduced by the amount of any relief allowable in respect thereof under the provisions of Section 27 of the United Kingdom Finance Act, 1920, or Section 36 of the United Kingdom Finance Act, 1950.